

- Higher transportation and energy costs drove prices up in February
- Manufacturers in BC shipped fewer goods in January
- BC wholesalers saw sales jump in January

Prices

• The consumer price index for BC rose 3.2% in February compared to February 2002. Energy prices (+18.2%) were the main factor behind this increase. The price of gasoline in particular jumped 35.8% since February 2002. When energy prices are removed, the CPI shows a growth of 2.2% over the same period. Transportation costs (+9.4%), which are also directly affected by gasoline prices, rose substantially. Food prices were slightly higher (+0.6%) than last year, and the cost of shelter climbed as well (+1.6%). Clothing and footwear (-2.9%) was the only major component of the CPI that has become cheaper over the past year.

Canada-wide the consumer price index increased 4.6% in February, compared to the same month of 2002. Energy prices led the growth of the CPI, rising 19.7%. With energy prices excluded, the Canadian CPI grew 3.4%. The Atlantic provinces experienced some of the biggest price hikes over the year as New Brunswick (+7.2%), Nova Scotia (+6.8%) and PEI (+6.7%) all saw steep increases. Prices in BC (+3.2%) grew the least over the period. Victoria's index (+3.3%) grew slightly more than the rest of the province.

Source: Statistics Canada

The Economy

• The value of shipments by manufacturers in British Columbia slipped 0.4% (seasonally adjusted) in January 2003. The drop was due to a fall in durables (-2.2%) which was caused by a decline in wood product shipments (-6.2%). Increases in fabricated metals (+5.1%) and transportation equipment (+8.0%) somewhat offset the drop in the wood in-

dustry. The value of shipments of non-durables rose (+2.1%) during the same period, as food product shipments jumped (+5.9%). Paper (+0.8%) and petroleum and coal (+7.1%) also helped the rise in non-durable shipments. The value of shipments beverage and tobacco product manufacturers (-1.9%) declined in January.

Across the nation, the value of manufactured goods shipped was 3.7% higher in January as all but three provinces had increases. Only Manitoba (-2.9%), Prince Edward Island (-3.4%), and BC (-0.4%) saw the value of shipments fall.

Source: Statistics Canada

• Wholesalers in the province saw a 4.0% (seasonally adjusted) increase in the value of their sales in January. Paper and paper products, agricultural supplies, and the computer and software sector were key factors in this growth. Nationally, sales were up 1.8%. Wholesalers in Ontario (+2.1%), and Quebec (+2.6%) made gains while Prince Edward Island (-5.5%) saw the largest decline of the provinces.

Source: Statistics Canada

Tourism

• Visitor entries to Canada through BC border crossings slipped in January, dropping 2.0% (seasonally adjusted). The decline in entries was due to fewer people visiting from the US (-2.4%). Entries from overseas (+0.1%) inched up during January. There were more visitors from Europe (+1.7%), but fewer travellers from Asia (-2.2%). The number of people entering from South Pacific countries (+5.0%) continued to rise. Visitor entries from the South Pacific have been increasing steadily over the past year, with only two monthly drops during the last twelve months.

Did you know...

Fan Tan Alley in Victoria BC is the narrowest street in North America,
being just five feet wide in places

The number of Canadians re-entering from abroad (-2.6%) slipped for the first time in ten months. This was due to fewer people returning from overseas (-4.2%) and from same-day auto trips to the US (-1.8%).

Source: BC Stats

Restaurants, Caterers and Taverns

- In January 2003, total receipts of restaurants, caterers, and taverns in British Columbia increased 0.3% (seasonally adjusted) from December, reaching \$437.1 million. Food service establishments (+0.3%) were responsible for the monthly increase, as receipts at drinking places stayed fairly constant (0.0%). Total restaurant, caterer and tavern receipts for Canada saw a drop of 0.8% over the same period.

Source: Statistics Canada

Religion

- One in four British Columbians (aged 15 and older) attends religious services regularly (at least once per month). Residents of BC were less likely to regularly attend services than residents of other provinces. Across the nation, one in three people attended on a regular basis. People living in Atlantic Canada attended services most often. PEI had over half (53%) of its population in regular service attendance with Newfoundland (43%) and New Brunswick (43%) not far behind. The distribution of service goers is quite sporadic within provinces. In BC for example, Abbotsford (41%) had one of the highest rates in the country, while Victoria (20%) had the lowest. Saint John (43%) had the highest rate among all census metropolitan areas in the country. Demographics, immigration patterns, and the cultural history of the region are some of the predominant factors that influence service attendance.

Source: SC Catalogue 11-008, No 68

Research and Development

- The government of British Columbia spent \$95.9 million on research and development (R&D) in the 2001-02 fiscal year. R&D in forestry (\$31.8 million) and social development (\$31.2 million) were funded the most,

with public health (\$11.3 million) coming in third. The amount of funding was considerably lower than in 2000-01 when BC invested \$207.0 million in R&D. However, this figure was heavily influenced by a much larger than typical contribution to public health (\$121.8 million).

Source: SC, Catalogue 88F0006XIE, No 4

Composite Index

- The Canadian leading indicator advanced 0.3% in February, its largest increase in seven months. The composite index combines indicators from manufacturing, retail, housing and the stock market. Housing brought in most of the good news, recording a 6.7% monthly increase. The retail sector also saw growth in February as furniture and appliance sales (+1.1%) continued to expand. The main negative influence on the composite index was a decline in new orders for durables (-1.0%). Slightly lower sales of durables in the retail sector (-0.1%) were also apparent.

Source: Statistics Canada

Employee Turnover Rates

- Average employee turnover rates in service based businesses in Canada are lower in establishments where innovative work practices are used. In high-skilled service businesses, when flexible job design and teamwork were apparent in the workplace, the quit rate was just 3% in 1999. This compares to an average turnover rate of 16% in the same industry within firms that did not employ any innovative work practices. In low-skilled services, teamwork, coupled with either profit sharing or merit-based pay scales, were the most effective practices in lowering the turnover rate (13%). This was opposite to the result observed in manufacturing where establishments without innovative work practices had the lowest quit rates (11%).

Source: SC, Catalogue 11F0019MIE, No 199

*Infoline Issue: 03-12
March 21, 2003*

Infoline Report

Issue: 03-12
Mar. 21, 2003

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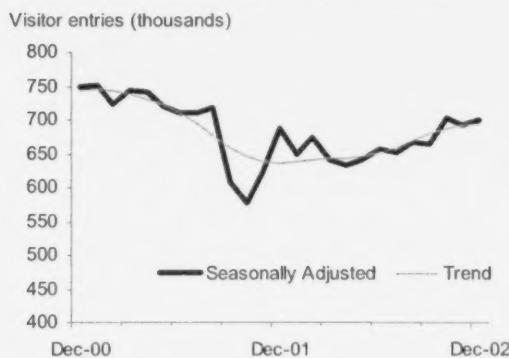
Originally published in *Tourism Sector Monitor*, Issue 03-02. Annual subscription \$60 + GST

Visitor Entries in 2002

Visitor entries on a slow recovery path

After slipping (-2.0%) in 2001, the number of travellers entering Canada via BC border crossings continued to fall (-3.8%), dropping to 7,999,200 in 2002. Although entries have been recovering from a low in the fourth quarter of 2001, it has been a slow climb up from the trough. Although entries plunged in late 2001, they were also falling earlier in the year. They have been recovering in 2002, rising in 7 months of the year, but are still below historical levels.

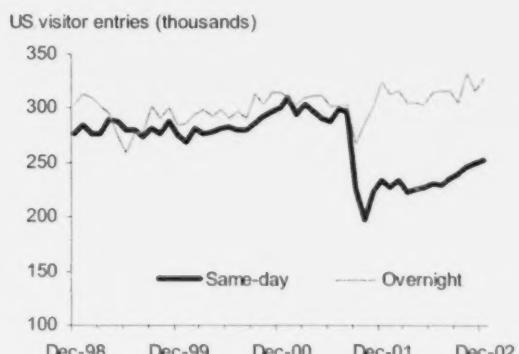
Visitor entries trended up throughout 2002



US entries rise throughout 2002, but are still much lower than before

The number of people entering BC from the US slipped in 2002 (-4.1%) to 6,611,800. US entries play a large role in the overall trend for BC because they make up the lion's share of visitors. Over the past decade, the number of US visitors on overnight trips to Canada through BC border crossings has been increasing. Last year was no exception, as the number of overnight travellers grew 3.8% to 3,775,000. This partially offset a drop in same-day visitors (-13.4%) in 2002, which have been down since September 2001, partially due to increased border delays after the terrorist attacks.

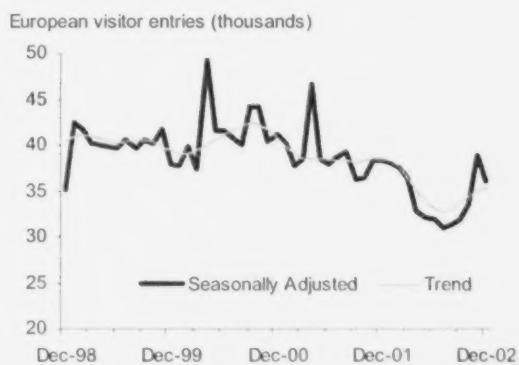
US same-day visitors have been down since September 11, 2001



Overseas entries declined in 2002

There were fewer travellers to BC (-2.2%) from overseas last year largely because the number of travellers from Europe (-11.7%) and the South Pacific (-10.5%) fell. Entries from Asia (+4.4%) were up, but did not increase enough to offset the decline in entries from other regions. Entries from Europe remained weak for most of 2002, reaching a third quarter low of 94,200 (seasonally adjusted), the smallest number of travellers seen since the second quarter of 1994.

Entries from Europe fell through the first half of the year

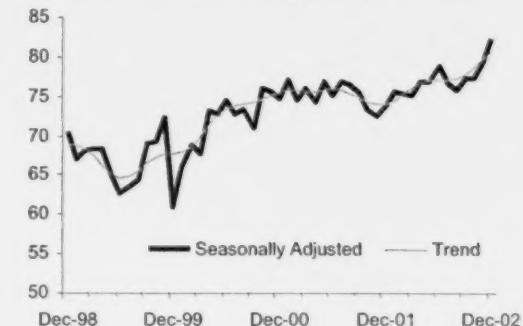


Canadian re-entries continue to fall

The number of Canadians re-entering the country via BC continued to fall (-12.8%) in 2002. For more than a decade, the number of Canadian travellers returning from same-day car trips to the US has been dropping off largely because the Canadian dollar has been so weak. There were 22.8% fewer such travellers than in 2001. Increased border delays after the terrorist attacks have also affected same-day car trips over the past year. The number of Canadians re-entering from overseas countries (+3.1%) has had quite the opposite trend. Over the past decade, with the exception of 1999, each year has seen more overseas returns. After only a slight decline in the last quarter of 2001, re-entries from overseas almost completely recovered from a downturn in late 2001, and returned to its previous path.

The upward trend in the number of Canadians returning to BC from overseas persisted in 2002

Canadian re-entries from overseas (thousands)



Period	Traveller Entries to Canada via BC (000s)								Canadian		
	Total	International			Overseas						
		Total	USA	Overnight	Total	Asia	Europe	Oceania*	Total	USA same-day auto	Overseas
1993	5,476.8	4,635.7	2,169.2	2,466.4	841.2	403.3	330.2	70.7	15,948.8	12,068.1	510.3
1994	5,999.2	5,036.0	2,405.4	2,630.6	963.2	462.0	375.1	85.6	13,552.2	9,993.0	553.1
1995	6,577.2	5,368.6	2,488.2	2,880.4	1,208.6	646.4	418.8	109.9	13,501.6	9,885.3	581.3
1996	6,906.6	5,494.4	2,611.7	2,882.7	1,412.1	778.3	467.5	116.3	13,710.2	9,802.0	670.8
1997	7,322.8	5,892.6	2,798.2	3,094.4	1,430.2	798.0	449.1	122.1	13,427.5	9,328.6	767.3
1998	7,844.6	6,549.0	3,124.2	3,424.7	1,295.7	652.7	449.4	118.2	10,451.3	6,734.9	799.7
1999	8,269.2	6,861.7	3,370.2	3,491.5	1,407.5	716.0	484.6	126.0	9,588.1	5,813.1	798.7
2000	8,481.7	7,006.0	3,407.1	3,598.8	1,475.8	758.9	498.0	133.8	9,435.2	5,639.0	866.4
2001	8,312.5	6,894.5	3,257.7	3,636.8	1,418.0	731.8	466.3	131.9	8,328.6	4,720.3	902.8
2002	7,999.2	6,611.8	2,820.9	3,774.9	1,387.4	764.0	411.8	118.0	7,264.9	3,646.4	930.9
	Percentage Change										
1993	3.1	2.2	4.0	0.7	8.5	8.0	10.5	0.8	-12.8	-15.3	10.0
1994	9.5	8.6	10.9	6.7	14.5	14.5	13.6	21.0	-15.0	-17.2	8.4
1995	9.6	6.6	3.4	9.5	25.5	39.9	11.7	28.3	-0.4	-1.1	5.1
1996	5.0	2.3	5.0	0.1	16.8	20.4	11.6	5.9	1.5	-0.8	15.4
1997	6.0	7.2	7.1	7.3	1.3	2.5	-3.9	4.9	-2.1	-4.8	14.4
1998	7.1	11.1	11.7	10.7	-9.4	-18.2	0.1	-3.1	-22.2	-27.8	4.2
1999	5.4	4.8	7.9	2.0	8.6	9.7	7.8	6.6	-8.3	-13.7	-0.1
2000	2.6	2.1	1.1	3.1	4.8	6.0	2.8	6.2	-1.6	-3.0	8.5
2001	-2.0	-1.6	-4.4	1.1	-3.9	-3.6	-6.4	-1.4	-11.7	-16.3	4.2
2002	-3.8	-4.1	-13.4	3.8	-2.2	4.4	-11.7	-10.5	-12.8	-22.8	3.1

* Australia, New Zealand, and other South Pacific nations



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also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)		Oct 1/02	% change on one year ago
BC	4,151.0		0.9
Canada	31,485.6		0.9
GDP and INCOME		2001 Revised	% change on one year ago
(BC - at market prices)			
Gross Domestic Product (GDP) (\$ millions)	130,859		1.2
GDP (\$ 1997 millions)	123,912		-0.2
GDP (\$ 1997 per Capita)	30,252		-1.1
Personal Disposable Income (\$ 1997 per Capita)	19,513		1.2
TRADE (\$ millions, seasonally adjusted)		Feb '03	% change on prev. month
Manufacturing Shipments - Jan	2,878		
Merchandise Exports - Jan	2,466		0.7
Retail Sales - Dec	3,380		-0.9
CONSUMER PRICE INDEX		Feb '03	12-month avg % change
(all items - 1992=100)			
BC	119.6		2.6
Canada	122.3		2.8
LABOUR FORCE (thousands)		Feb '03	% change on prev. month
(seasonally adjusted)			
Labour Force - BC	2,180		0.6
Employed - BC	2,002		0.6
Unemployed - BC	178		0.6
Unemployment Rate - BC (percent)	8.2	Jan '03	8.2
Unemployment Rate - Canada (percent)	7.4		7.4
INTEREST RATES (percent)		Mar 19/03	Mar 20/02
Prime Business Rate	4.75		3.75
Conventional Mortgages - 1 year	5.10		5.30
- 5 year	6.60		7.30
US/CANADA EXCHANGE RATE		Mar 19/03	Mar 20/02
(avg. noon spot rate) Cdn \$	1.4804		1.5791
US \$ (reciprocal of the closing rate)	0.6745		0.6332
AVERAGE WEEKLY WAGE RATE		Feb '03	% change on one year ago
(industrial aggregate - dollars)			
BC	679.14		3.5
Canada	658.93		2.1
SOURCES:			
Population, Gross Domestic Product, Trade,		Statistics Canada	
Prices, Labour Force, Wage Rate			
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics			
For latest Weekly Financial Statistics see www.bankofcanada.ca			

Released this week by BC STATS

- Consumer Price Index, February 2003
- Small Business Quarterly, 4th Quarter 2002
- Labour Force Survey, February 2003

Next week

- Immigration Highlights, 4th Quarter 2002
- Migration Highlights, 4th Quarter 2002

